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Forestry: Policy Review

Analysis of how climate policy shapes
Ireland's forest landscape

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Forests for whom?

Climate's land question

INTRODUCTION

This policy review examines forestry in the context of climate-goals-related land interventions that reorganise the use and, as the report aims to show, the value and ownership of rural land in Ireland. The key policies start with the EU's Land Use, Land-Use Change and Forestry (LULUCF) framework, which, by accounting for forests as carbon removals towards member states' binding climate targets, creates national demand for forest carbon sinks and reorganises rural land around its measurable climate value. That quantified climate value is subsequently translated into monetary investment value, which, in Ireland, takes the form of state subsidies through the Climate Action Plan and Forestry Programme, turning this accounting demand into afforestation targets stimulated by grants and premiums.

JUSTLAND's key conceptual move is to shift the lens from forests as climate infrastructure to afforestation as a political-economic reorganisation of land. This approach draws on critical studies of earlier waves of state-enabled investment forestry elsewhere¹, from the US Timberland Investment Management Organisations (TIMOs)²³ and tree plantation expansion in traditional forestry destinations, such as Chile⁴, to the more recent extension of these investment logics, through climate finance, into European farmland such as Wales⁵. Taken together, these studies show how public policy assembles forestry as an investment proposition by absorbing costs and risks, and stabilising anticipated revenues. Climate policy-era intensifies this process by layering carbon and renewable-energy revenues onto timber returns, expanding the future income

¹ Kröger, M 2014, 'The political economy of global tree plantation expansion: a review', *Journal of Peasant Studies*, vol. 41, no. 2, pp. 235-261.

² Gunnoe, A., & Gellert, P. K. (2011). Financialization, Shareholder Value, and the Transformation of Timberland Ownership in the US. *Critical Sociology*, 37(3), 265-284.

³ Kay, K. (2025). Valuing timber, making financial assets: The role of US generally accepted accounting principles (GAAP) in the financialization of nature. *Geoforum*, 167, 104477.

⁴ Clapp, R. A. (1995). Creating Competitive Advantage: Forest Policy as Industrial Policy in Chile. *Economic Geography*, 71(3), 273-296.

⁵ Heffron, A. (2026). Trees devouring sheep: climate rentierism and the financialised land grabbing of Welsh farmland. *The Journal of Peasant Studies*, 1-22.

streams that can be capitalised into forest land values.

In practical terms, the state subsidy takes the form of establishment grants covering planting and fencing, state-backed insurance against early losses, such as disease or storm damage, and annual premium payments over 15-20 years to offset foregone agricultural income. These grants and premiums can enable farmers to afforest, providing a new income stream for rural households. The same payments can reduce acquisition costs and risks for institutional investors able to aggregate multiple properties, thereby incorporating public support into private profits. Policy therefore can determine whether afforestation sustains diverse rural livelihoods or, conversely, drives land transfer and concentrates control over land and its future ecological value. This is the question at the centre of JUSTLAND: whose solution does forestry become under the current climate policy regime?

The policy review is critical of the following. The state forestry supports are front-loaded at the point of forest establishment, with annual premiums ending roughly a decade before even the fastest-growing forests reach commercial maturity. Once premiums expire, farmers are left without a comparable income stream, while holding an illiquid, long-duration asset whose value, at that point, is realised

only through land sale. Effectively, rather than governing forestry as a long-term ecological or social system, policy operates through a staged logic. Firstly, early public support absorbs risk and fixes value in place, stabilising land as an investable asset. Second, the withdrawal of support and the resulting loss of farm income create pressure to sell land, making forests tradable and increasingly accessible to scale-hungry institutional actors and their investment vehicles.

This temporal structure of climate policy creates a window for land transfer, a pattern already visible in JUSTLAND's preliminary findings⁶. Over the past decade, pension, sovereign, and insurance capital, channelled through forestry investment vehicles, has become a significant force in Irish forestry. In global investment discourse, timberland is commonly presented as a patient-capital asset whose long biological rotations and relatively stable, incremental returns align with investors who hold long-term liabilities. This model does not (yet) hold in Ireland. First, these vehicles, rather than planting forests themselves, typically acquire forests at mid-rotation, often around 20-25 years of age when premiums expire, effectively acquiring standing timber that the state and farmers have publicly subsidised, biologically stabilised, and politically legitimised. Second, the forest asset encountered by institutional capital in Ireland bears the precise

⁶ Benceković, S., Bresnihan, P., McCabe, C., & Fitzgerald, L. (2026). The geography of capital's frustration: smallholder landscapes and Ireland's agri-forestry frontier. *Finance and Space*, 3(1).

imprint of the policy through which it was created; namely, small, dispersed forests rather than large estates. Institutional scale must therefore be actively constructed through repeated acquisition and consolidation, making portfolio assembly the key next step in reorganising publicly subsidised forests into an investable asset. Together, these conditions create a risk that forests established through public subsidy across dispersed family farms are progressively assembled into institutional portfolios, transferring control over land and its future ecological value from rural households, often narrated as key beneficiaries, to global financial actors. Finally, by acquiring mid-rotation forests, consolidating dispersed plots and “land-lifting” portfolios for onward sale, specialist intermediaries introduce a private-equity-style logic of valuation and exit into Irish forestry, undermining forest management as patient stewardship grounded in long-horizon ownership.

The review proceeds in three parts. The first reconstructs Ireland’s forestry trajectory from state land acquisition and commercialisation to subsidised private planting, showing how policy produced both its plantation ecology and fragmented ownership structure. The second situates this trajectory within contemporary multiscalar climate policy, tracing the recast of forest land as climate infrastructure and, in relation to the market logic of climate transition, as

investment assets. The final section examines the resulting distributional question of how publicly de-risked forests enter the market, become assembled into institutional portfolios, and consolidate control over rural land and its future ecological value.

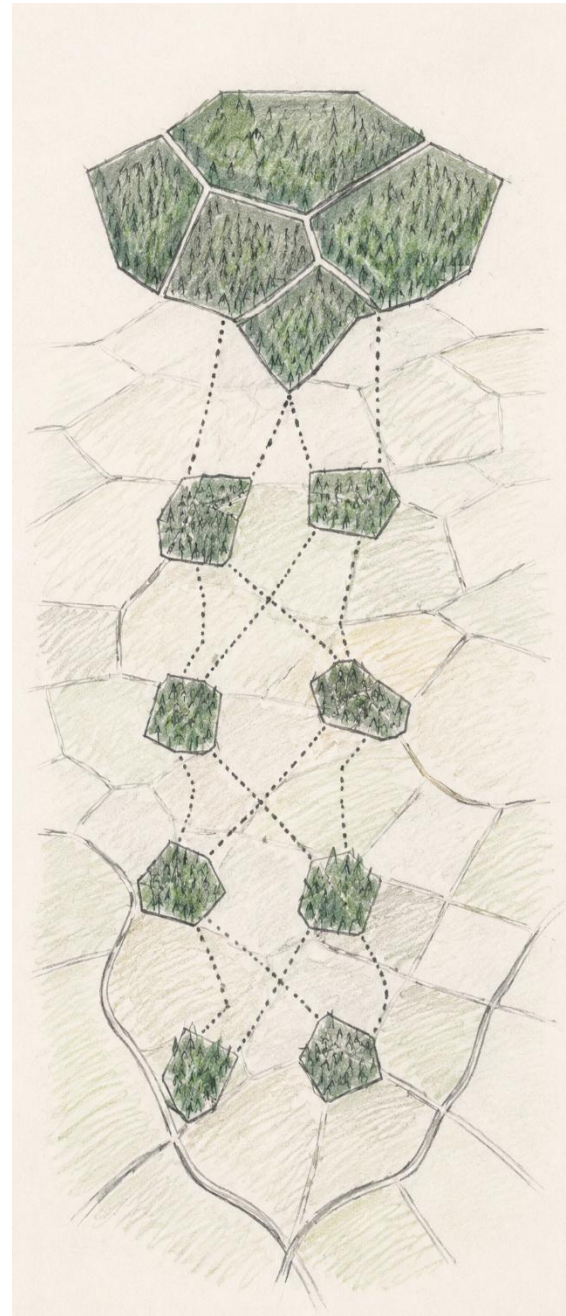


*Figure 1 Portfolio assembly turns dispersed, farmer-planted forests into institutional-scale assets.
[Conceptual illustration; not a mapped location.]*

“THE GREAT TREE EXPERIMENT” AND GREATER TIMBER EXPECTATIONS YET

In 1904, thirteen years after C. S. Parnell’s death, the state acquired his Avondale estate, turning it into Ireland’s first forestry school and the setting for the “Great Tree Experiment,”⁷ conceived to answer a defining question for a country whose forest cover had fallen to 1% under centuries of colonial clearances⁸: Which tree could best renew Ireland’s forests? The following year, state forester A. C. Forbes and botanist A. Henry, later named the “Father of Irish Forestry,” began planting 104 native and exotic tree species in comparative plots. The ensuing Avondale tree trials recorded trees’ growth rates, resistance to exposure and disease, and capacity to produce commercially usable wood on different soils and sites.

From the political economy lens, the trials were not a neutral exercise in determining which trees were naturally “best suited” to Ireland. The experiments defined suitability criteria in the first place according to the priorities of the emerging state forestry project: rapid and uniform growth, survival on wet, exposed, and agriculturally marginal land allocated to forests, and the production of predictable volumes of commercially usable timber. In that sense, many native and ecologically valuable species were not maladapted

to Ireland per se; they were merely less compatible with the new state’s temporal and economic demands, reduced to the question of which trees could produce the most timber and in the shortest time. The native oak’s “disappointing” performance at Avondale is illustrative; trees profoundly adapted to Irish ecosystems were judged unsuccessful because their slower, less uniform growth compared unfavourably with the predictable timber yields of fast-growing conifers.

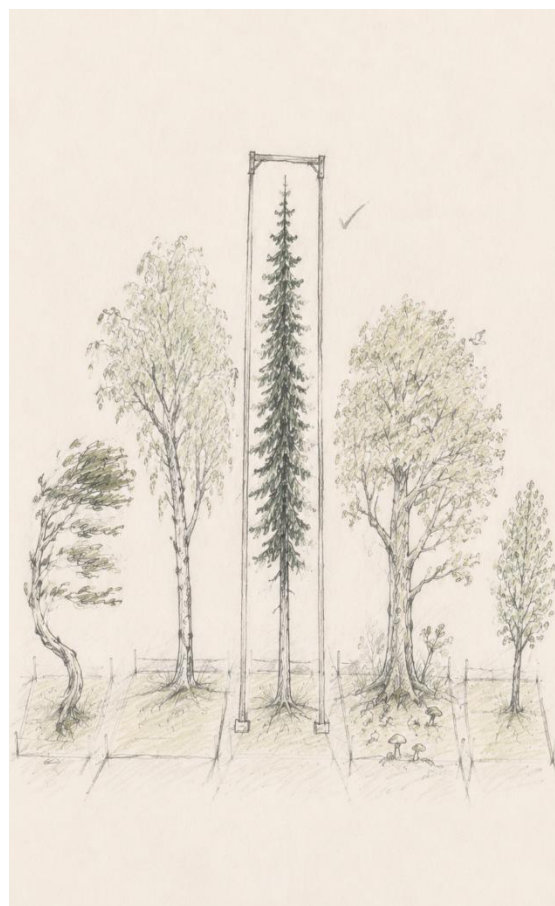


Figure 2 Avondale tree trials: Sitka spruce passes and continues to define the timber test.

⁷ Farrelly, N. (2021, April 30). FitForests: Ensuring correct tree species choice to address climate change uncertainties. Teagasc.

⁸ McMahon, P. (2023). Island of woods: How Ireland lost its forests and how to get them back. New Island Books.

THE AGE OF SITKA SPRUCE

Ireland has 769.6 thousand hectares of forest cover, of which 588.1 thousand hectares are commercial conifers, primarily Sitka Spruce⁹. This landscape is a legacy of the production-oriented forestry model whose species-selection logic was tried at Avondale and later extended through state afforestation. Native woodlands of oak, birch, hazel, ash, alder and willow occupy approximately 85,000 hectares¹⁰, around 11% of the forest estate, yet only a remnant in Ireland's total landmass. Ancient woodland survives within this area only in small, fragmented remnants, estimated at roughly 20,000 hectares¹¹.

Against Ireland's older woodland forms, the expansion of even-aged Sitka spruce plantations represents a profound ecological and socioeconomic simplification. As their canopies close, densely planted stands can sharply reduce vascular understorey diversity, while accumulated conifer litter contributes to greater surface-soil acidity.¹² Socioeconomic simplification occurs as land embedded in multiple forms of farming, dwelling, and

collective use is reorganised around a single overriding output, the rapid production of standardised timber. As this happens, value becomes defined by yield class, while other relationships to land are rendered secondary.

Irish afforestation remains tied to short-rotation timber production. This allows carbon targets to be pursued through simplified forest landscapes, while also exposing forestry's fragility as a climate instrument. In 2024, forestry shifted from a carbon sink to a source as afforestation remained substantially below target and legacy emissions from forests planted on organic soils were compounded by harvesting.¹³ These findings unsettle the assumption that forestry can simply be scaled up as a stable climate solution. The increasingly important principle of planting “the right tree in the right places”¹⁴ acknowledges that climate outcomes depend on species, site and management, yet it frames the problem as one of technical optimisation, leaving consequential questions unresolved: the right tree for what purpose, on whose land, under whose control, and for whose benefit?

⁹ Central Statistics Office. (2024, September 10). Ecosystem accounts—Forests and woodlands 2012–2022: Extent accounts.

¹⁰ Department of Agriculture, Food and the Marine. (2014). Forests, products and people: Ireland's forest policy: A renewed vision. Government of Ireland.

¹¹ Coillte. (2020, October 19). A brief history of Ireland's native woodlands. <https://www.coillte.ie/a-brief-history-of-irelands-native-woodlands/>

¹² Iremonger, S., O'Halloran, J., Kelly, D. L., Wilson, M. W., Smith, G. F., Gittings, T., Giller, P. S., Mitchell, F. J. G., Oxbrough, A., Coote, L., French, L., O'Donoghue, S., McKee, A.-M., Pithon, J., O'Sullivan, A., Neville, P., O'Donnell, V., Cummins, V., Kelly, T. C., & Dowding, P. (2007). *Biodiversity in Irish plantation forests*. Environmental Protection Agency.

¹³ Climate Change Advisory Council. (2025). Annual review 2025: Agriculture and land use, land-use change and forestry.

¹⁴ Forest Service. (2008). *Indicative forestry statement: The right trees in the right places*. Department of Agriculture, Fisheries and Food.

Ireland's forest management through history

The policy pathway from public stewardship to private and institutional investment

1903

FORESTRY
BRANCH

The beginning of state forestry in Ireland, when forest cover stood at just 1%.

1919/1928

FORESTRY
ACT

Compulsory acquisitions build a large state land bank.

1988

COILLTE

Commercial state forestry company established.

1981/1989

REGIONAL
DEVELOPMENT
SUBSIDY

EU forest establishment grants followed by annual premiums, initially targeting marginal farmland.

1992

CLIMATE
TURN

Afforestation is recast as a means of absorbing carbon dioxide and, thus, a climate mitigation measure.

1992

PRIVATE
INVESTMENT
TURN

EEC Regulation 2080/92 opened premiums to non-farmers, while public bodies were limited to establishment costs.

1997/2003

PRIVATE RISE &
COILLTE RETREAT

Growing for the Future prioritises private planting; the EU Court confirms Coillte's premium exclusion

2007

NATIONAL
FUNDING
TURN

Forestry subsidies move from EU co-financing to Irish Exchequer funding under the National Development Plan.

2015

FARMER/
NON-FARMER
PARITY

Forestry Programme 2014-2020 removed the farmer/non-farmer distinction, with both receiving the same rates for the same duration.

2023

NATIONAL SUBSIDY
RENEWAL

The State continues funding establishment costs and restores longer premium periods for farmers than for non-farmers.

THE LAND USE OF LAST RESORT: STATE FORESTRY TAKES ROOT

Up to the 1980s, afforestation in Ireland was primarily a state-led territorial project, with the public sector undertaking forest expansion almost entirely through direct land acquisition. Over less than a century, this project transformed the national forest estate from a residual landscape to a significant land-use category. Forest cover increased from around 1% of Ireland's land area in 1928 to over 10% by 2012, a near tenfold expansion¹⁵. By 2022, approximately 690,000 hectares had been planted, bringing forest cover to nearly 12% of the total land area and making afforestation one of the largest land-use changes since the state's founding.¹⁶

Forest expansion has been highly uneven spatially. Early state planting concentrated on peatlands, uplands and soils designated as “poor”; the same residual logic persists in more recent afforestation policy's turn towards marginal agricultural land. Forestry thus consistently acts as one of the principal destinations for land considered surplus, underused, or insufficiently productive within the dominant agricultural economy. Crucially, this marginality was relational rather than natural, with peatland, commonage and

extensive grazing land becoming designated as “poor” only when measured against the output of intensively managed pasture and dairy farming. Parliamentary debates from the 1900s are especially revealing here, showing how state forestry expansion was politically secured through the language of marginality. Ministers repeatedly described Forestry Division acquisitions as concentrating on “marginal” and “semi-marginal” land, while insisting that land suitable for agriculture should not, in principle, be taken into forestry.¹⁷ In conclusion, early state forestry was not planned for arable land but for land left behind by the agricultural economy, guided by a residual land-use logic of forestry as the land use of last resort.

This logic is particularly visible in Leitrim. In a 1978 report¹⁸, An Foras Talúntais framed forestry as a regional development response to agrarian crisis, which entails western decline, small farms, scarce off-farm employment, outmigration, ageing, and difficult wet drumlin soils. The report was explicitly comparative, setting grassland against forestry, agriculture against afforestation, and current use against alternative use. It therefore opened up a land allocation debate in which forestry emerged as a solution to structural rural

¹⁵ Forest Service. (2013). National forest inventory: Republic of Ireland: Results covering the National Forest Inventory, 2009–2012. Department of Agriculture, Food and the Marine.

¹⁶ Agricultural Consultants Association. (2023). Farm forestry booklet: Options & supports: Forestry Programme 2023-2027. Agricultural Consultants Association.

¹⁷ Houses of the Oireachtas. (1928, May 3). Forestry Bill, 1928 - Second Stage: Dáil Éireann debate, 23(8).

¹⁸ An Foras Talúntais. (1978). County Leitrim resource survey, Part IIIA: Forestry: Economics, employment and development proposals. An Foras Talúntais.

marginality. Where later policy speaks more softly of “the right trees in the right places,” as previously mentioned, this report identified lowland drumlin areas, including specific Drumkeeran soils, as priority planting areas, and suggested that forestry “may be the only viable land use system” in some contexts.

From the outset, state forests were conceived as productive landscapes tied to regional development through the timber economy. Creating them required substantial territorial work, including identifying, reclassifying and acquiring land, then detaching it from competing uses. However, designating these lands as marginal obscured the livelihoods and land relations they already sustained, including rough grazing, turbary and commonage. The creation of the national forest estate thus involved a double movement, the devaluation of existing land relations followed by the revaluation of that land as productive forest, as is widely recognised in critical financial geography: devaluation makes subsequent asset-making possible.¹⁹

The logic of the productive forest culminated in the establishment of Coillte in 1988, when the state forest estate was transferred to a commercial semi-state company required to

generate returns from the land accumulated over the preceding decades. Established under the Forestry Act 1988, Coillte was mandated to conduct “the business of forestry and related activities” commercially and according to “efficient silvicultural practices.”²⁰ Its creation therefore marked a decisive shift in state-forestry relations, as the land accumulated through a state regional development project became the asset base of a commercial semi-state company. Effectively, while public forest land remained state-owned, its management was reorganised around the requirement to generate commercial returns.

After decades in which the public sector drove Ireland’s forest expansion, Coillte largely withdrew from new planting around the turn of the century. Its afforestation briefly peaked at 2,926 hectares in 1998, before falling to only a few dozen hectares annually through much of the 2000s and to zero between 2016 and 2019.²¹ Two related pressures underpinned Coillte’s retreat from afforestation. First, its commercial mandate required new planting to justify the combined costs of land acquisition and forest establishment against timber revenues deferred for several decades. Second, the European Commission determined in 2000,²² and the Court of

¹⁹ Knuth, S., Potts, S., & Goldstein, J. E. (2019). In value’s shadows: Devaluation as accumulation frontier. *Environment and Planning A: Economy and Space*, 51(2), 461-466.

²⁰ Department of Agriculture, Food and the Marine. (2014). *Forests, products and people: Ireland’s forest policy – A renewed vision*. Department of Agriculture, Food and the Marine.

²¹ Department of Agriculture, Food and the Marine. (2020). *Forest statistics Ireland 2020*. Government of Ireland.

²² European Commission. (2000). Commission Decision 2000/449/EC of 5 July 2000 excluding from Community financing certain expenditure incurred by the Member States under the Guarantee Section of

Justice confirmed in 2003,²³ that, as a state-controlled entity, Coillte was ineligible for the EU-funded annual forestry premium scheme operating at the time. Together, its commercial mandate and its exclusion from annual afforestation premiums made large-scale expansion of the public estate financially unviable.

Coillte's retreat from direct afforestation marks a fundamental restructuring of the state's role. Rather than acting as a landholder and a planter, the State moved towards designing the regulatory and financial incentive structures through which private actors would plant. The forest estate emerging from this transition was therefore private only in name, as it is intrinsically dependent on public policy and subsidy. It is examined in turn.

PUBLIC MONEY, PRIVATE FORESTS: THE EMERGENCE OF GRANT-AIDED FORESTRY

State-led afforestation changed decisively with the introduction of State-EU forestry grant schemes and annual premium payments. From the 1980s, a series of private-sector initiatives began to reposition afforestation as an activity carried out by private landowners,

primarily farmers, but underwritten by public subsidy. Through grants, premium payments, and long-term income guarantees, tree planting became a financially viable form of land conversion. The scale of this transition was formally registered in the 2022 Forestry Inventory²⁴, when private ownership crossed the majority threshold for the first time: 411,484 ha, or 50.9% of Ireland's forest estate, compared with 397,364 ha, or 49.1%, in public ownership. Within this private estate, grant-aided forests account for 288,497 ha, or 35.7% of the total forest area, and have become a major component of Ireland's growing stock.

The transition began with the EU-supported Western Package in 1981.²⁵ Conceived as an intervention in agricultural development, the scheme offered farmers grants to plant land classified as marginal for agriculture but suitable for forestry, and thus a means of supporting farm incomes in the disadvantaged west. Uptake was limited, however, revealing the programme's central flaw: afforestation grants could successfully cover establishment costs, but forestry replaced annual agricultural earnings with timber revenues, which are deferred for decades.

the European Agricultural Guidance and Guarantee Fund (EAGGF) (notified under document C(2000) 1847). Official Journal of the European Communities, L 180, 49–66.

²³ Court of Justice of the European Communities. (2003, October 16). Ireland v. Commission of the European Communities (Case C-339/00, ECLI:EU:C:2003:545).

²⁴ Department of Agriculture, Food and the Marine. (2023). Ireland's National Forest Inventory 2022: Main findings. Government of Ireland.

²⁵ Council Regulation (EEC) No. 1820/80 of 24 June 1980 for the stimulation of agricultural development in the less-favoured areas of the west of Ireland, 1980 O.J. (L 180) 1.

Private afforestation came to the fore from the mid-1980s through the introduction of the annual premium scheme, which acts as a compensatory allowance for the foregone annual agricultural income. Together, grants and premiums created the basic architecture of private afforestation, where the landowner retains ownership of the land and forest, while the state absorbed much of the cost and income disruption involved in converting the holding to forestry.

The current Forestry Programme 2023-2027²⁶ has an overall Exchequer commitment of €1.3 billion. Establishment grants are paid in two instalments, the first after planting and the second four years later, and range from €4,450 to €10,500 per hectare, with additional supports available for fencing, licensing costs, and forest road establishment. Owners may also receive annual premium payments, generally between €750 and €1,150 per hectare per year, for 20 years for farmers and 15 years for non-farmers. The Afforestation Grant Scheme, therefore, in its full effect, reduces the upfront cost of converting land to forestry, guarantees an income stream over time, and offers favourable tax treatment, including tax-free income from the occupation of woodlands. As the Forestry Services booklet puts it, grants can effectively get the forest planted “for free,” covering

establishment and maintenance to the free-growing stage and leaving the investor to bear mainly the cost of land.

The policy architecture for afforestation has gradually broadened the pool of eligible participants. Early forestry premiums were restricted to farmers living within 112 kilometres of the proposed plot. The premium scheme was opened to non-farmers in 1992, and the rates, initially higher for farmers, were equalised in 2015. While the current programme has restored a distinction in premium duration, twenty years for farmers and fifteen for non-farmers, companies and other non-farming owners remain eligible.

Across Ireland, the shift was followed by a rise in non-farmer planting. Problematically, the official statistics do not separately identify institutional investors, recording applicants only as farmers or “other private” owners. They nevertheless show a marked change in the composition of planting. The change following premium parity in 2015 is particularly striking. Non-farmer planting increased from 178 hectares, 2.9% of private afforestation in 2014 to 2,344 hectares, or 36.1%, in 2016. It overtook farmer planting in 2018 and remained the majority of private afforestation through 2023, reaching 82% in 2021.²⁷ More specific evidence exists for Leitrim,

²⁶ Department of Agriculture, Food and the Marine. (2022, March 7). Forestry grants and schemes. Government of Ireland.

²⁷ Central Statistics Office. (2024). Afforestation area 2023 [Table 2: Afforestation area by year and ownership type, 2007–2023].

where a DAFM-supported study²⁸ estimated that investor applicants accounted for 1.4% of afforestation in 2016 and 19.4% in 2017.

This policy evolution has led to a dramatic increase in private forest ownership, which continued past the hybrid EU-Ireland subsidies into now fully national subsidies. The cumulative number of private grant-aided forests rose from just 46 in 1980 to 23,256 by 2019.²⁹ State subsidies encouraged planting, but also created small, dispersed forest ownership, with an average plot size of 8.6 ha, and significantly larger forests remain rare. At that forest size, many individual forests lack the scale that makes timber extraction economically viable. In other words, the same subsidies that make small-scale planting profitable do not make it financially viable across the full tree rotation. As these forests mature, their fragmentation creates demand for aggregation and portfolio assembly, functions increasingly performed by institutional investors, as JUSTLAND's preliminary findings show.

As the previous paragraphs show, the Irish forestry expansion has been underwritten by decades of public policy, including EU Common Agricultural Policy (CAP) payments, national afforestation grants, and long-term forestry premiums. These instruments serve to socialise early risk,

compensate for foregone agricultural income, and secure long-term land-use commitments at a time when alternative pathways to growth are increasingly limited. Here lies the key policy deviancy. These supports are front-loaded at the point of forest establishment, with annual premiums ending roughly a decade before even the fastest-growing forests reach commercial maturity. Once premiums expire, farmers are left without a comparable income stream, while holding an illiquid, long-duration asset whose value is realised only through sale. Effectively, rather than governing forestry as a long-term ecological or social system, policy operates through a staged logic. Firstly, early public support absorbs risk and fixes value in place, stabilising land as an investable asset. Second, the withdrawal of support and the resulting loss of farm income create pressure to sell land, making forests tradable and increasingly accessible to institutional actors and investment vehicles.

Spatially, this shift from state-led to state-subsidised forestry altered the kinds of land being drawn into forestry. As examined previously, early forestry policy was shaped by a principle of non-competition with agriculture, which concentrated state-led planting on peatlands, uplands and soils classified as poor. The private grant-aided era marked a movement away from this

²⁸ Ní Dhubháin, Á., Stoettner, E., Ballweg, J., & Garcia, S. (2019). The socio-economic impact of forestry in Co. Leitrim. University College Dublin.

²⁹ Irish Timber Growers Association. (2021). Forestry and timber yearbook 2021 [Table: Private planting 2002–2019]. Irish Timber Growers Association.

older geography, with DAFM³⁰ reporting that gleys account for 30.7% of the overall forest estate but 41.9% of private grant-aided forests, indicating that private afforestation has moved beyond the peatlands and uplands associated with earlier state planting and towards mineral soils more closely integrated into Ireland's grassland economy. The report explicitly links this pattern to forestry's movement onto more productive soils from the mid-to-late 1980s onwards, marking the beginning of forestry land being drawn into more commercially attractive and agriculturally relevant sites, and the start of a more contested overlap between forestry, farming, and the future of rural livelihoods.

FROM RESIDUAL TO CONTESTED LAND

Afforestation is a major land-use transformation; forest cover rose from 1% of land area in 1920 to 11% in 2020, with an 18% planting target still ahead, to be reached in the next four years. To put this into perspective, the policy aims to transform roughly 450,000 ha or 7% of the island's land area into additional forest cover, implying a landscape mutation of remarkable scale, with far-reaching consequences for both the land's ecological function and the structure of the rural political economy.

Currently, forest is a minority land use in Ireland. With respect to rural land, agriculture is Ireland's dominant land-use class and accounts for 67% of Ireland's land cover, most of this being grassland used for pasture, with peat bogs accounting for another 14%.³¹ Any substantial increase in forest cover beyond the previously mentioned 12% is, in practice, a matter of reallocating land from other dominant uses, especially agricultural ones. Thus, afforestation today is, fundamentally, a land-use competition problem.

From a climate policy perspective, forestry, rather than agriculture, becomes the preferred rural land use in the era of decarbonisation. Namely, agriculture is identified as Ireland's largest polluter. As a source of greenhouse gas emissions, the sector accounted for roughly 37.8% of the national total in 2023.³² CAP, which intervenes as a policy instrument for distributing the carbon constraint across economic sectors, landscapes, and infrastructure, has assigned agriculture a 25% emissions-reduction target by 2030. On the other hand, production targets are not falling. On the contrary, since the abolition of EU milk quotas in 2015, which meant the EU ended a system that had limited how much milk each member state, and effectively each dairy producer, could produce, Irish dairy has been encouraged to grow

³⁰ Source. Department of Agriculture, Food and the Marine (2023), Ireland's National Forest Inventory 2022: Results, soil type by ownership category.

³¹ O'Rourke, F., Byrne, C., & Smith, G. (2023). Land use evidence review: Phase 1 synthesis report. Government of Ireland.

³² Environmental Protection Agency. (2026). *Latest emissions data*.

output and rapidly expand already significant dairy exports. As a result, farmers are expected to increase milk output per cow as the agricultural land base holds steady.³³ To sustain output from the existing agricultural land under this new load, the sector has relied heavily on aggressive production optimisation measures. Above all, these include increased stocking rates, defined as cows per hectare, and nitrates derogation, which gives Irish grassland farmers a legal exemption to spread up to 250 kg/ha of organic nitrogen, compared to the EU standard of 170 kg/ha, enabling them to keep more livestock. In conclusion, agriculture is pushed into a double movement of squeeze and intensification, where farmers are expected to maintain or even increase output through efficiency gains, as seen in milk quotas and the aggressive use of nitrates, while using the same or less land or emissions space.

Forestry is increasingly positioned as a solution to agricultural crisis conditions, while also opening new pathways for capital accumulation under climate constraints. The justification for afforestation is that less fertile land, which is not performing well agriculturally, becomes “productive” again through forestry. The striking line, “The trees are doing a lot better on this ground than my sheep ever did,”

captures how afforestation is narrated through the lens of relative productivity, marginality, and the rehabilitation of land value.³⁴ Along those lines, in 2021, Teagasc, Ireland’s national agency for agriculture and the state’s principal agricultural research, advisory, and training institution, set out the forestry switch as a comparative economic calculation across competing land-use regimes.³⁵ The model weights agricultural income against forest returns, including afforestation subsidies, tax privileges, and the prospective carbon value of standing trees. It finds that agriculture remains more profitable than forestry on 66% of farms. However, forestry is more profitable on 57% of cattle-rearing farms, around half of cattle-finishing farms, and a negligible number of dairy farms, thereby mapping where the agrarian economy is vulnerable to land-use switching. These farm types, typical of western counties such as Leitrim, concentrate afforestation on land that is less tightly bound to the intensive, high-output, high-stock-density logics of contemporary livestock agriculture, particularly dairy. The decisive move occurs when carbon is added to the calculation. At a carbon value of €32 per tCO₂eq, rising to €100 by 2030 under the Public Spending Code (2019), the share of farms for which forestry yields higher income increases sharply, extending to

³³ Central Statistics Office. (2024). Farm structure survey 2023: Land utilisation [Statistical release].

³⁴ Agricultural Consultants Association. (2023). Farm forestry booklet: Options & supports: Forestry Programme 2023-2027. Agricultural Consultants Association.

³⁵ Ryan, M. (2021). Land use change and forestry: Economic and environmental interactions [Teagasc Research Insights presentation]. Teagasc.

all but around 10% of dairy farms. Teagasc's claim that accounting for carbon value greatly increases the share of farms with higher forest income shows how climate policy can alter the economic rationality of land-use change. Lastly, as Ireland has also moved to account for carbon removals from managed wetlands, including bogs, afforestation on peatland has come under tighter environmental scrutiny. Overall, this concludes that today the State is trying to make forestry work on land that is no longer presented as empty or expendable.

The policy push to shift land into forestry further clashes with historically fragmented, politically charged agrarian landscapes still dominated by farming.³⁶ In Ireland, private landownership is young, barely a century old, and hard-won, still haunted by colonialism, metropolitan financial expansion, dispossession, and landlord domination.³⁷ Much of postcard Ireland, its patchwork fields, grazing cattle, potato ridges, estate demesnes, and scattered farmhouses, was forged in this colonial agrarian order, which, upon retreating, left behind a grassland landscape stripped of nearly all its trees. The retreat of colonial rule did not undo the agrarian geography it had produced. The political logic changed;

impoverished, subjugated tenants now became landowners, and land once organised through imperial provisioning was reworked under European agricultural policy (CAP) and export-led agri-food development. However, Ireland's agrarian economy remained, above all, an economy of grass and milk. The stakes of this perpetuated farming regime extended beyond production strategy, with farming emerging as both a reparative social claim and a postcolonial attachment to land reclaimed as property. In this context, forestry emerges as a charged, renewed struggle over socioeconomic space.

The annual figures also show the waning dynamism of this individual-owner afforestation model. Annual applications rose from 46 in 1980 to a peak of 1,365 in 1996, remaining above 1,000 through much of the 1990s and early 2000s, before weakening to 759 in 2007, 629 in 2008, 539 in 2018, and only 377 in 2019.³⁸ Overall, afforestation uptake has continued to fall short of state targets. Teagasc³⁹ notes that 84% of farmers do not intend to plant forests, citing a preference for farming, a preference for income now, concerns about permanent land-use change, loss of flexibility, and forestry saturation in some areas. Although this reluctance is often framed as a behavioural obstacle

³⁶ Benceković, S., Bresnihan, P., McCabe, C., & Fitzgerald, L. (2026). The geography of capital's frustration: smallholder landscapes and Ireland's agri-forestry frontier. *Finance and Space*, 3(1).

³⁷ Kearns, G. (2013). 'Irish historical geographies: Colonial contexts and postcolonial legacies,' *Historical Geography* 41, 22-34.

³⁸ Irish Timber Growers Association. (2021). *Forestry and timber yearbook 2021* [Table: Private planting 2002–2019]. Irish Timber Growers Association.

³⁹ Ryan, M. (2021). *Land use change and forestry: Economic and environmental interactions* [Teagasc Research Insights presentation]. Teagasc

to be overcome, the reasons given point to a structural rural conflict over temporality, control, and social reproduction. Forestry asks farmers to exchange the annual, reversible, practice-based rhythms of agriculture for a long-term, locked-in land asset. What appears to policy as farmer hesitation may therefore be a defence of land flexibility and agrarian continuity.

This is also where the grant-aided afforestation model begins to show a kind of policy deviance, when an instrument designed to achieve one social formation, farmer-led climate afforestation, begins to select for another, investor-led land assetisation. Although framed around farm diversification and climate mitigation, its design may align better with investors' capacities than with the requirements of farming households. Farmers must reproduce a livelihood through the land, maintain everyday agricultural practices, and preserve flexibility in the face of uncertain household and farm futures. Investors face none of these demands. They can approach forestry more abstractly, as a subsidised, tax-efficient, long-duration asset that can be assembled across multiple sites, professionally managed, scaled, and eventually resold. The permanence that restricts farmers' future choices stabilises the asset for investors; the long rotation that postpones farmers' income accommodates capital with a longer investment horizon. The issue, therefore, extends beyond farmers' reluctance to plant. The policy

instrument designed to mobilise them increasingly fits the temporal and spatial requirements of capital more readily than those of farming. Afforestation policy consequently risks reproducing the very gap it seeks to close: persistently low farmer planting alongside the gradual opening of a forestry frontier to institutional actors.

The material qualities of forests reinforce this investor compatibility. Once the risky establishment phase has passed, trees become relatively labour-light biological assets as they grow independently, accumulate volume and value over time, and require less continuous human intervention than agricultural production. Forestry thus promises a form of accumulation less dependent on the dense labour and social relations of farming and more compatible with distant portfolio management. Agricultural land is also “busy,” crowded with labour, livelihoods, attachments, and political claims.

Forestry's financial appeal is strengthened by its position at the intersection of several policy agendas. It aligns with global climate goals as a carbon sink, while timber is increasingly promoted as a low-carbon construction material amid political pressure to address Ireland's housing crisis. Together, these forces position forestry as an emerging climate asset frontier. Understanding how this frontier is being produced requires tracing the climate-policy architecture through which forests acquire new economic value, examined in turn.

Climate forestry

Where we are now: The multiscalar climate policy structure from global temperature targets to local land-use change

Climate policy operates through a staged, multiscalar logic. A global temperature threshold translates into EU-wide emissions targets, then into land-based carbon accounts and national programmes that reshape rural landscapes. At each stage, an abstract climate obligation becomes more materially specific, eventually landing on the ground as a shift from carbon-intensive land uses to those supporting decarbonisation.



Decarbonisation is already materialising in the landscape: As Ireland's largest source of GHG emissions, accounting for 37.8% of the national total in 2023, agriculture is being positioned as a land use to be reduced or transformed. Forestry, by contrast, is promoted as a carbon sink and thus a preferred use of rural land within the transition to a decarbonised economy (EPA, 2025).

01

GLOBAL

Kyoto Protocol (1997) & Paris Agreement (2015)

Kyoto (Art. 3.3) establishes carbon accounting for forestry, integrating their emissions and removals into national climate accounts. Paris sets a global temperature limit by committing countries to hold warming below 2°C above preindustrial levels, with Art. 5 explicitly reiterating forests as carbon sinks to be conserved and enhanced as the key infrastructure for climate mitigation.

02

EU

Green Deal (2019) → Climate Law (2021)

The Green Deal turns the Paris ambition into an EU-wide strategy, making climate neutrality by 2050 an economy-wide objective. The European Climate Law makes this binding, additionally requiring at least 55% lower net GHG emissions by 2030 than in 1990. Reliance on “net” emissions gives carbon removals, including forests, a key role.

03

LAND ACCOUNTING EU LULUCF Regulation

LULUCF counts emissions and removals across land categories, converting decisions about whether land remains farmed, is afforested, or is rewetted into climate performance. It also requires the EU's land to remove 310 million tonnes more CO₂ than it emits by 2030, with each member state assigned a binding share of this target.

04

IRELAND

Climate Act (2021) → annual Climate Action Plans → Forestry Programme (2023-2027)

Ireland's Climate Act establishes legally binding sectoral carbon budgets and emissions ceilings. CAP 2025 translates these obligations into land-use targets, identifying afforestation as a major mitigation pathway, retaining a target of 8,000 ha of new forest annually to 2030. Ireland's Forestry Programme operationalise this target through establishment grants & annual premiums designed to encourage private afforestation.

THE CLIMATE'S LAND QUESTION

11.6% → 18%

Moving from 808,848 ha of forest in 2022 to the long-term 18% ambition implies roughly 446,000 additional hectares, or about 6.4% of the State's land area. This is a massive transformation of land use, value, and ownership.

FORESTRY'S CLIMATE TURN

More than 40% of the EU's land area is already forested, and further afforestation and reforestation are central pillars of the European climate strategy. Specifically, under the European Green Deal, the EU has committed to climate neutrality by 2050 and, guided by the Land Use, Land-Use Change and Forestry (LULUCF) framework thereof, forests are expected to deliver a net carbon sink of 310 million tonnes of CO₂ equivalent annually by 2030. As a mitigation measure, forests respond to the demand for decarbonisation in several ways. Directly, forests absorb atmospheric carbon and lock it into soils and trunks, compensating for emissions deemed politically or technologically unavoidable. Indirectly, too, forests furnish timber for retrofitting Europe's ageing, energy-inefficient building stock, particularly by replacing carbon-intensive materials such as steel and cement, a trend exacerbated by increasing urban populations and housing crises across the planet. Together, under climate policy mandates, forests are reframed as both carbon sinks and construction resources, producing layered future revenue claims. In this configuration, the forest becomes a key element of climate infrastructure.

Climate policy operates through a staged, multiscalar logic. In the European context, global temperature thresholds defined by the Paris Agreement (2015) cascade down to the

regional decarbonisation pledge. Specifically, as agreed in the European Green Deal (2019) and legislated in the European Climate Law (2021), the EU is set to reduce net greenhouse gas (GHG) emissions by at least 55% by 2030 and to make Europe's economy and society fully climate-neutral by 2050. One cornerstone of this transition is the Land Use, Land-Use Change, and Forestry (LULUCF) regulation, which translates decarbonisation into land-based carbon accounting. LULUCF requires member states to account for GHG emissions and removals across different landscapes, associated infrastructure, and economic activity. Within this architecture of nested transition obligations, Ireland's statutory climate targets are set out in the Climate Action and Low Carbon Development Bill (2021) and operationalised through the Climate Action Plan (CAP) (2022-2025). CAP identifies forests as Ireland's largest land-based mitigation measure, with an ambition to increase forest cover to 18% in the long term.

This progression demonstrates that climate policy is not a neutral framework within which forestry investment subsequently occurs. It actively produces the conditions under which land can become a financial asset. Decarbonisation obligations first establish demand for land-based carbon removal; land-use policy then identifies agricultural land for conversion; grants and premiums transfer establishment costs and risks to the state; and timber revenues, tax advantages and

prospective carbon income multiply the claims that can be made on future forest value. The permanence of afforestation subsequently stabilises these claims by locking land into a long-term productive use. Climate policy therefore operates as an asset-making pipeline: while formally designed to increase forest cover, its instruments render forestland increasingly legible, secure and investable for institutional capital.

SUMMARY: THE MAKING OF A CLIMATE FORESTRY ESTATE

Five stages through which climate policy builds a forestry asset market



1

CLIMATE-DRIVEN LAND-USE CHANGE

- UNFCCC's Land use, land-use change, & forestry (LULUCF) accounting system and the EU's LULUCF regulation treat land as climate infrastructure: a means of meeting climate targets.
- Climate targets create demand for more forest land, a major carbon sink, also making agricultural land, the largest source of greenhouse gas emissions, the key space for conversion.

PRIVATISATION & PUBLIC DE-RISKING

- Forestry grants & schemes, latest: Forestry Programme 2023-2027, cover forest and fence establishment costs, provide tax-free annual premiums for 15-20 years, and fund access roads.
- Grants absorb upfront conversion costs and associated risks (e.g., through reconstitution schemes), while premiums compensate for foregone agricultural income.

2



3

ASSET STABILISATION

- By fixing forestry value, subsidy stabilises forestland as an investable asset, encouraging afforestation among Ireland's now 24,000 forest owners, whose forests average 8.6 ha.
- Premiums end a decade before even the fastest-growing forests reach commercial maturity, leaving farmers without income and with an illiquid, long-duration, small-scale asset whose value is then best realised through land sale.

AGGREGATION AND TRADE

- Forestland in Ireland typically enters the market as small, dispersed plots, planted by individual farmers with subsidies, making consolidation a prime task of institutional investment. Sold forest parcels are packaged into larger portfolios, with the largest such transaction comprising 185 parcels spread across 4,074ha, sold to AXA.

4



5

REVENUE MULTIPLICATION

- Returns are realised primarily through timber, earnings from which are tax-exempt, and ancillary land-based revenues: land-value appreciation, carbon credits, and the leasing of forest land, primarily for wind energy.
- Construction industry demand for timber and carbon offsetting market prospects add new demand horizons.

CORE INSIGHT: Policy successfully subsidises afforestation by absorbing the risks and creating value; however, it also leaves small new forest owners holding illiquid forests before maturity, creating the conditions for forestland to be sold, aggregated and transformed into an institutional asset.

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